GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:447
ANSWERED ON:20.02.2003
PRIVATISATION OF MARUTI UDYOG LIMITED
RAMDAS RUPALA GAVIT

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government propose to privatize the Joint Venture Maruti Udyog Limited;

(b) if so, the details thereof and reasons therefor;

(c) whether the production is likely to be affected by privatization of the said company; and

(d) if so, the details thereof?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI BALASAHEB VIKHE PATIL)

(a) & (b): The Government have decided to exit from Maruti Udyog Limited (MUL) in line with their policy to exit from all non-strategic enterprises. The Revised Joint Venture Agreement (RJVA) amongst Suzuki Motor Corporation, (SMC), MUL and the Governmen provides for two phase disinvestment of Government`s share holding in MUL.In the first phase, a rights issue of Rs.400 crore has been completed with SMC subscribing to the total rights issue, including rights shares renounced by the Government in favour of SMC. SMC has also paid a sum of Rs.1000 crore as control premium to the Government for fully taking over management control.In the second phase, as per the provisions of the RJVA, the remaining shares of the Government are to be sold through public offer in two tranches.

(c) & (d): The Government do not envisage any negative impact of the current process of privatization on the production of the company.